



Montana Public Service Commission
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**SETTLEMENT AGREEMENT IN NORTHWESTERN ENERGY'S GAS TRACKERS
TO BE SUBJECT OF PSC HEARING ON MARCH 10**

The state Public Service Commission will hear a stipulation presentation and conduct a public hearing concerning the pending 2003 and 2004 NorthWestern Energy annual natural gas tracker proceedings on Thursday, March 10, at 1:30 pm in the PSC's Bollinger Room, 1701 Prospect Avenue. NorthWestern files an annual gas tracker case in order to adjust its rates to reflect the costs the utility actually pays for natural gas.

NorthWestern Energy and the Montana Consumer Counsel have requested PSC approval of an agreement they reached in December that settles the issues between the two parties in these proceedings. They will present the agreement to the PSC on Thursday. Under the terms of the proposed agreement, both NorthWestern and the Consumer Counsel accept NorthWestern's gas trackers and proposed rate recovery as filed, with the following exceptions:

- There would be a \$200,000 reduction in carrying costs for the NWE gas tracker period July 1, 2003, to June 30, 2004.
- There would be approximately \$4.6 million recovered prospectively in rates for the NWE gas tracker period July 1, 2003, to June 30, 2004, which was previously disallowed by the PSC in a 2003 order. Approximately \$6 million in PSC disallowance of NorthWestern's gas costs resulting from the same PSC order would remain intact.

PSC approval of the agreement would advance the settlement negotiations between the PSC and NorthWestern in the district court case NorthWestern brought against the PSC following the 2003 PSC order that disallowed recovery of some NorthWestern gas costs.

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